

House Study Bill 703

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON VAN FOSSEN)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to a tax amnesty program and including an
2 effective date provision.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 6476YC 81
5 mg/sh/8

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1 1 Section 1. TITLE. This Act may be cited as the "Iowa Tax
2 Amnesty Act of 2006".
1 3 Sec. 2. DEFINITIONS. When used in this Act, unless the
1 4 context otherwise requires:
1 5 1. "Department" means the department of revenue.
1 6 2. "Director" means the director of revenue.
1 7 3. "Taxpayer" means a person or a corporation or other
1 8 entity subject to any tax imposed by a law of this state,
1 9 payable to this state, and administered by the department
1 10 pursuant to chapter 422, 423, 423A, 423B, 423C, 423E, 424,
1 11 432, 432A, 450, 450A, 450B, 451, 452A, 453A, or 453B.
1 12 Sec. 3. AMNESTY PROGRAM.
1 13 1. The director shall establish a tax amnesty program.
1 14 The amnesty program shall apply to taxpayers that have tax
1 15 liabilities delinquent as of December 31, 2005, including tax
1 16 on returns not filed, tax liabilities on the books of the
1 17 department as of December 31, 2005, and tax liabilities not
1 18 reported nor established but delinquent as of December 31,
1 19 2005. For a taxpayer who has a tax liability, the director
1 20 shall accept cash, certified check, cashier's check, or money
1 21 order for the full amount of the tax liability.
1 22 2. The amnesty program shall be for a period from
1 23 September 1, 2006, through October 31, 2006, for any tax
1 24 liabilities described in subsection 1.
1 25 3. The amnesty program shall provide that upon written
1 26 application by a taxpayer and payment by the taxpayer of
1 27 amounts due from the taxpayer to this state for a tax covered
1 28 by the amnesty program plus interest equal to fifty percent of
1 29 the interest that would have been owed through December 31,
1 30 2005, the department shall not seek to collect any other
1 31 interest or penalties which may be applicable and the
1 32 department shall not seek civil or criminal prosecution for a
1 33 taxpayer for the period of time for which amnesty has been
1 34 granted to the taxpayer. Failure to pay all taxes delinquent
1 35 as of December 31, 2005, and due to this state except those
2 1 adjustments made pursuant to a federal audit completed after
2 2 the effective date of this Act shall invalidate the amnesty.
2 3 Amnesty shall be granted for only the taxable periods
2 4 specified in the application and only if all amnesty
2 5 conditions are satisfied by the taxpayer.
2 6 4. Amnesty shall not be granted to a taxpayer who is a
2 7 party to an active criminal investigation or who is a party to
2 8 a criminal litigation which is pending in a district court,
2 9 the court of appeals, or the supreme court of this state for
2 10 nonpayment or fraud in relation to any state tax imposed by a
2 11 law of this state.
2 12 5. The director shall prepare and make available amnesty
2 13 application forms which contain requirements for approval of
2 14 an application. The director may deny any application that is
2 15 inconsistent with this Act.
2 16 Sec. 4. RULEMAKING. The provisions of this Act are exempt
2 17 from the rulemaking process of chapter 17A, the Iowa
2 18 administrative procedure Act.

2 19 Sec. 5. LEGISLATIVE INTENT. It is the intent of the
2 20 general assembly in enacting the Iowa tax amnesty Act of 2006
2 21 that the general assembly and the state shall not conduct
2 22 another tax amnesty program prior to January 1, 2020.

2 23 Sec. 6. EFFECTIVE DATE. This Act, being deemed of
2 24 immediate importance, takes effect upon enactment.

2 25 EXPLANATION

2 26 This bill provides for a state tax amnesty program to be
2 27 administered by the department of revenue from September 1,
2 28 2006, through October 31, 2006. The program covers tax
2 29 liabilities delinquent as of December 31, 2005, and authorizes
2 30 a taxpayer to pay this delinquent tax with one-half of the
2 31 interest which would ordinarily be due during the period of
2 32 the amnesty program without being subject to further penalty
2 33 or civil and criminal prosecution.

2 34 The taxes that are covered under the amnesty program are
2 35 the individual and corporate income taxes, franchise tax,
3 1 sales and use taxes, local option hotel and motel tax, local
3 2 city, county, and school district sales and services taxes,
3 3 automobile rental tax, petroleum diminution charge, insurance
3 4 premiums taxes, death taxes, motor fuel taxes, cigarette and
3 5 tobacco taxes, and controlled substance tax.

3 6 The bill takes effect upon enactment.

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